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COMMON ELEMENTS IN THE MEDIUM-TERM PLAN, 1992-1997: MOBILIZATION OF FINANCIAL RESOURCES FOR INDUSTRIAL DEVELOPMENT

GUIDELINES FOR SPECIAL TRUST FUND PROJECTS

Report by the Director-General

1. In its resolution GC.4/Res.28, the General Conference at its fourth session, while approving the guidelines for the development, appraisal, approval, implementation and evaluation of special trust fund projects, contained in document GC.4/36, requested the Director-General to prepare additions to those guidelines in order to fully reflect: (a) that the developmental aspects be the leading principles for accepting special trust fund projects, inter alia to assist developing countries in training, management, recovery and rehabilitation requirements for industrial enterprises, and (b) that definitions for the appraisal criteria be amended in line with decision GC.4/Dec.11, paragraph (d), on technical cooperation activities.

2. The requested additions were submitted to the Board in document IDB.10/15 and further revised in document IDB.11/19. At its eleventh session the Board adopted decision IDB.11/Dec.31 in which it inter alia recommended to the General Conference the approval of the additions to the guidelines proposed in paragraphs 11 (a) and (b) of document IDB.10/15.

3. Since the adoption on 2 July 1993 of decision IDB.11/Dec.31, however, the Board, at its resumed eleventh session on 29 October 1993, adopted decision IDB.11/Dec.40 in which it endorsed and recommended to the General Conference for its consideration and approval the proposals of the Director-General set out in document GC.5/23 on the future policy framework of UNIDO and its organizational and staff structure. In that document new proposals were formulated for the mobilization, coordination and monitoring of financial resources (cf. paras. 63-65 and 72). Those proposals, if approved by the General Conference, necessitate the revision of the internal administrative procedures for the development, appraisal, approval and implementation of all projects financed from UNIDO-administered funds, including special trust funds, with a view to integrating existing procedures in a single process. Since the guidelines for special trust fund projects approved by the General Conference in resolution GC.4/Res.28 do not cover all projects financed from UNIDO-administered funds, they are not fully suitable for the restructured UNIDO.

4. It will also be recalled that, in resolution GC.4/Res.28, the General Conference further requested that the guidelines for special trust fund projects be subject to examination and possible adjustments, based on the conclusions and recommendations which would be presented in the in-depth evaluation on special trust fund projects requested in Board decisions IDB.5/Dec.12 and IDB.6/Dec.14. As mentioned in document GC.5/19, an in-depth evaluation of such projects is currently under way, and the first results are expected only in 1994.

ACTION REQUIRED OF THE CONFERENCE

5. In the light of the information provided in paragraphs 3 and 4 above, the Conference may wish to suspend the guidelines for special trust fund projects approved by resolution GC.4/Res.28 while confirming the authority of the Director-General to approve projects financed from UNIDO-administered funds, and to request the Director-General, taking into account the policy framework and the organizational and staff structure of UNIDO, as well as the in-depth evaluation referred to above, to prepare comprehensive policy guidelines for projects funded from funds administered by UNIDO and report thereon to the General Conference through the Industrial Development Board.

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